

WEIL, GOTSHAL & MANGES LLP  
1 Stephen Karotkin (*pro hac vice*)  
(stephen.karotkin@weil.com)  
2 Ray C. Schrock, P.C. (*pro hac vice*)  
(ray.schrock@weil.com)  
3 Jessica Liou (*pro hac vice*)  
(jessica.liou@weil.com)  
4 Matthew Goren (*pro hac vice*)  
(matthew.goren@weil.com)  
5 767 Fifth Avenue  
6 New York, NY 10153-0119  
7 Tel: 212 310 8000  
8 Fax: 212 310 8007

KELLER BENVENUTTI KIM LLP  
9 Tobias S. Keller (#151445)  
(tkeller@kbkllp.com)  
10 Jane Kim (#298192)  
(jkim@kbkllp.com)  
11 650 California Street, Suite 1900  
12 San Francisco, CA 94108  
13 Tel: 415 496 6723  
14 Fax: 650 636 9251

15 *Attorneys for Debtors and  
Debtors in Possession*

16 **UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF CALIFORNIA  
SAN FRANCISCO DIVISION**

17 **In re:**

18 **PG&E CORPORATION,**

19 **- and -**

20 **PACIFIC GAS AND ELECTRIC  
COMPANY,**

21 **Debtors.**

22  Affects PG&E Corporation

23  Affects Pacific Gas and Electric  
Company

24  Affects both Debtors

25 \* *All papers shall be filed in the Lead  
Case, No. 19-30088 (DM).*

26 Bankruptcy Case No. 19-30088 (DM)

Date: April 14, 2020

Time: 10:00 a.m. (Pacific Time)

Place: **Telephonic Appearances Only**  
United States Bankruptcy Court  
Courtroom 17, 16th Floor  
San Francisco, CA 94102

1 I, Brad D. Brian, pursuant to section 1746 of title 28 of the United States Code, hereby declare  
2 under penalty of perjury that the following is true to the best of my knowledge, information, and belief:

3 1. I am a partner in and Chair of Munger, Tolles & Olson LLP (“**Munger**”), counsel for  
4 Pacific Gas and Electric Company (the “**Utility**” and, together with PG&E Corporation, the “**Debtors**”).  
5 I have represented a number of major corporations in state and federal criminal investigations. I am lead  
6 counsel for the Utility in the criminal investigation arising out of the November 8, 2018 wildfire in Butte  
7 County, California known as the “**Camp Fire**.<sup>1</sup>” I have advised the Utility in connection with the ongoing  
8 negotiations with the District Attorney of Butte County (the “**Butte County DA**”) to resolve the  
9 Camp Fire investigation and any fines and charges arising from that investigation.

10 2. I am authorized to submit this Declaration (the “**Declaration**”) on behalf of the Debtors  
11 in support of the *Debtors’ Motion Pursuant to 11 U.S.C. §§ 105(a) and 363(b) and Fed. R. Bankr. P.*  
12 *9019 for Entry of an Order Approving (i) Agreement and Settlement with People of the State of*  
13 *California and (ii) Granting Related Relief* (the “**Motion**”), filed contemporaneously hereto.<sup>1</sup> The facts  
14 set forth in this Declaration are based upon my personal knowledge, my review of relevant documents,  
15 and information reviewed by me in the course of my duties and responsibilities. If called upon to testify,  
16 I would testify to the facts set forth in this Declaration.

17 3. As the Debtors have previously disclosed, the Butte County DA, working with the Office  
18 of the Attorney General of California, opened a criminal investigation of the 2018 Camp Fire. The  
19 Debtors have produced documents and have responded to other requests for information and witnesses  
20 in connection with that criminal investigation, including, but not limited to, documents related to the  
21 operation and maintenance of equipment owned or operated by the Debtors. The Debtors have also  
22 cooperated with the Butte County DA’s Office in the collection of physical evidence from equipment  
23 owned or operated by the Debtors.

24 4. As a result of this investigation and the potential criminal charges, and fines involved,  
25 the Debtors have been engaged in ongoing negotiations with the Butte County DA to resolve the

---

26 <sup>1</sup> Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms  
27 in the Motion.

1 investigation and any fines and charges involved. The negotiations with the Butte County DA have  
2 culminated in the Butte County Agreement, annexed as **Exhibit A** to the Motion. Among other  
3 provisions, the Butte County Agreement recognizes the substantial compensation the Debtors are  
4 providing to fire victims under the Plan, including by way of the Fire Victim Trust, as well as by  
5 compensation to the Public Entities, and by providing funds to reimburse the insurance carriers that  
6 have made substantial payments to fire victims, including the 2018 Camp Fire victims. The principal  
7 terms of the Butte County Agreement are summarized in the Motion.

8       5. In my view, entry into the Butte Country Agreement represents a sound exercise of the  
9 Debtors' business judgment. I believe that the terms of the Butte County Agreement are fair and  
10 reasonable and in the best interests of the Debtors, their estates, creditors, and all other stakeholders.  
11 Absent entry into the Butte County Agreement, the Debtors could be subject to additional charges,  
12 protracted criminal litigation, and the risks attendant thereto, which are discussed more fully in Paragraph  
13 7 below. The Butte County Agreement avoids these risks, provides for a monetary fine consistent with  
14 the statute, and facilitates these Chapter 11 Cases proceeding to a timely and successful conclusion.

15       6. The Butte County Agreement is the product of extensive, good faith, arm's-length  
16 negotiations with the substantial and continuous assistance of counsel. Before entering into the Butte  
17 County Agreement, the Debtors' management and Board of Directors, with the assistance and advice of  
18 their attorneys and other retained professionals, fully evaluated the terms against the risks, costs, and  
19 uncertainties of further litigation, and determined that resolving the criminal proceedings against the  
20 Company is a prudent exercise of business judgment on behalf of the Debtors.

21       7. As the Debtors have disclosed, if the Butte County Agreement is not approved, additional  
22 criminal charges could be filed against the Debtors with respect to the 2018 Camp Fire. If the Butte  
23 County Agreement is not approved, the Debtors would be forced to litigate these charges, which likely  
24 would not be resolved with finality for a year or even longer. The expense of such litigation in fees, as  
25 well as time and attention of key personnel, would be considerable. Ongoing criminal proceedings  
26 could also have a negative impact on employee morale, public perception of the Company, and  
27  
28

1 regulatory proceedings involving the Company. A criminal conviction after protracted litigation could  
2 also subject the Debtors to additional material fines, penalties, and restitution orders. The Debtors  
3 believe that any claims for such restitution would constitute fire victim claims and under the Plan would  
4 be satisfied solely out of the Fire Victim Trust.

5       8.      The Butte County Agreement represents an additional way by which the Debtors  
6 recognize their responsibilities, hope to bring some degree of closure for the families affected by the  
7 Camp Fire, and avoid protracted proceedings and potential fines and penalties that could adversely  
8 impact the path to Plan confirmation and the commencement of prompt distributions to all fire  
9 claimants.

10      9.      In view of the magnitude of the risks, expenses and uncertainties attendant to the ongoing  
11 investigation and the other factors noted above, I believe that entry into the Butte County Agreement is  
12 fair and reasonable, represents a sound exercise of the Debtors' business judgment, and is critical to  
13 advancing these Chapter 11 Cases to a timely and successful conclusion. Accordingly, I believe that  
14 the Butte County Agreement should be approved.

15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

1 I declare under penalty of perjury that, to the best of my knowledge and after reasonable  
2 inquiry, the foregoing is true and correct and that this declaration was executed in San Francisco,  
3 California, on March 23, 2020.

4   
5

6 Brad D. Brian  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28